Annual Financial Statements

for

LAINGSBURG MUNICIPALITY

for the year end 30 June 2009

Province:	**Western Cape**
AFS rounding:	**R (to nearest R1)**

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LAINGSBURG MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year end 30 June 2009

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LAINGSBURG MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year end 30 June 2009

General information

Members of the Council

R Meyer	**Mayor**
R Mckeet	**Deputy Mayor**
B Kleinbooi	**Speaker**
M Gouws	Member
J De Bruyn	Member
W Du P Theron	Member

Municipal Manager

P A Williams

Chief Financial Officer

A Groenewald

Grading of Local Authority

3

Auditors

Auditor-General

Bankers

ABSA

Registered Office:

Laingsburg

Physical address:

2 Van Riebeek Street
Laingsburg

Postal address:

Private Bag X4
Laingsburg

Telephone number:

023 5511019

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E-mail address:

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LAINGSBURG MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year end 30 June 2009

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 93 , in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.
I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 31 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

_____

Municipal Manager:
P A Williams

2009/08/31

LAINGSBURG MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost conversion, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of Government Gazette number 31021, Notice Number 516, dated 9 May 2008, and also in terms of the standards and principles contained in Directives 4 and 5 issued by the ASB in March 2009.

2. KEY FINANCIAL INDICATORS

The following indicators gave some insight into the financial results of the year under review. No figures are provided for the previous year because of the change in format of the Annual Financial Statements presented.

Financial Statement Ratios:

INDICATOR	2009	2008
Surplus / (Deficit) before Appropriations	(1 815 197)	1 214 968
Surplus / (Deficit) at the end of the Year	47 262 787	49 288 069
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	33.56%	28.83%
Remuneration of Councillors	8.73%	7.51%
Collection Costs	0.01%	0.46%
Depreciation and Amortisation	12.28%	17.73%
Impairment Losses	0.27%	0.00%
Repairs and Maintenance	3.89%	4.71%
Interest Paid	0.00%	0.00%
Bulk Purchases	9.58%	10.28%
Contracted Services	2.26%	5.11%
Grants and Subsidies Paid	7.61%	8.13%
General Expenses	21.81%	17.24%
Average Collection Ratio :Creditors Days	20	9
Average Payment Ratio :Debtors Days	28	22

The extremely good ratio for Debtors Days, calculated on net Debtors, is because of bad debts in the amount of R 91 653 (2007 / 2008: R 68 313) written-off during the year under review.

3. OPERATING RESULTS

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

The overall operating results for the year ended 30 June 2009 are as follows:

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	11 698 994	4 644 800	151.87%	-	-
Operating income for the year	21 192 133	17 767 618	19.27%	14 451 153	46.65%
Appropriations for the year	(33 030)	(351 742)	-	-	-
	32 858 096	22 060 675	48.94%	14 451 153	127.37%
Expenditure:					
Operating expenditure for the year	23 007 329	16 552 650	38.99%	18 147 685	26.78%
Sundry transfers	-	(6 043 364)	(100.00)%	-	-
Closing surplus / (deficit)	9 880 368	11 698 994	(15.55)%	(2 796 532)	-
	32 887 697	22 208 279	48.09%	15 351 153	114.24%
	(29 601)	(147 604)			

3.1 Rates and General Services:

Rates and General Services are all types of services rendered by the municipality, excluding those listed below. The main income sources are Assessment Rates and Sundries Fees levied.

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income	14 278 236	16 415 141	(13.02)%	15 624 284	(8.62)%
Expenditure	17 694 521	14 196 058	24.64%	19 426 664	(8.92)%
Surplus / (Deficit)	(3 416 285)	2 219 082	(253.95)%	(3 802 380)	-
Surplus / (Deficit) as % of total income	(23.93)%	13.52%		(24.34)%	

3.2 Housing Services:

Housing Services are services rendered by the municipality to supply housing to the community and includes the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income	28 718	245 119	(88.28)%	42 110	-
Expenditure	58 319	29 102	100.40%	-	-
Surplus / (Deficit)	(29 601)	216 017	(113.70)%	42 110	-
Surplus / (Deficit) as % of total income	-	88.13%		-	

3.3 Waste Management Services:

Waste Management Services are services rendered by the municipality for the collection, disposal and purifying of waste (refuse and sewerage). Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income	1 932 354	1 777 852	8.69%	1 876 319	2.99%
Expenditure	2 220 460	1 221 383	81.80%	2 152 645	3.15%
Surplus / (Deficit)	(288 106)	556 469	(151.77)%	(276 326)	-
Surplus / (Deficit) as % of total income	(14.91)%	31.30%		(14.73)%	

3.4 Electricity Services:

Electricity is bought in bulk from Escom and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R 2 204 503 (2007/2008: R 1 701 508). Tariffs levied for electricity are subject to administered adjustments.

The envisaged introduction of REDS (Regional Electricity Distribution Suppliers), where electricity will be distributed a regional supplier, will impact materially on the Annual Financial Statements of the municipality.

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income	3 357 519	2 621 919	28.06%	3 278 875	2.40%
Expenditure	3 489 390	1 844 257	89.20%	3 527 550	(1.08)%
Surplus / (Deficit)	(131 871)	777 662	(116.96)%	(248 675)	-
Surplus / (Deficit) as % of total income	(3.93)%	29.66%		(7.58)%	

3.5 Water Services:

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Income	3 530 675	1 114 454	216.81%	1 577 110	123.87%
Expenditure	1 771 129	917 203	93.10%	2 086 647	(15.12)%
Surplus / (Deficit)	1 759 545	197 251	792.03%	(509 537)	-
Surplus / (Deficit) as % of total income	49.84%	17.70%		(32.31)%	

Laingsburg Municipality experience major problems with water losses which originated from the floods in 1981. An investigation was done to try to find the cause of these water losses. The investigation found that major water losses occur, but were unable to identify where it originate from. Due to these findings the Department of Water Affairs allocated funds to Laingsburg Municipality to do a water leakage detection investigation during the 2009/2010 financial year.

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R 4 805 749 (2007/2008: R 2 754 949). Full details of Property, Plant and Equipment are disclosed in Note 9 and appendices "B, C and E (2)" to the Annual Financial Statements.

The capital expenditure of R 4 805 749 was financed as follows:

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R	Percentage Variance %	Budgeted 2008/2009 R	Variance actual/ budgeted %
Capital Replacement Reserve	1 631 074	780 137	109.08%	1 715 331	(4.91)%
Grants and Subsidies	3 174 675	1 817 185	74.70%	3 115 669	1.89%
Public Contributions	-	-	-	-	-
	4 805 749	2 597 322	85.03%	4 831 000	(0.52)%

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2009	2008
Capital Replacement Reserve	33.94%	30.04%
Grants and Subsidies	66.06%	69.96%
Public Contributions	-	-

Property, Plant and Equipment is funded to such a great extent from grants and subsidies because the municipality does not have the financial resources to finance capital from its own funds.

5. RECONCILIATION OF BUDGET TO ACTUAL

5.1 Operating Budget:

DETAILS	2009	2008
Variance per Category:		
Budgeted surplus before appropriations	(3 618 482)	(2 796 532)
Revenue variances	669 754	2 416 465
Expenditure variances:		
Employee Related Costs	(2 135 112)	662 948
Remuneration of Councillors	25 082	82 657
Collection Costs	8 907	53 531
Depreciation and Amortisation	438 330	(102 429)
Impairment Losses	(62 000)	-
Repairs and Maintenance	(44 296)	28 136
Interest Paid	-	-
Bulk Purchases	211 297	75 617
Contracted Services	244 284	654 352
Grants and Subsidies Paid	235 738	204 322
General Expenses	2 211 302	(64 100)
Loss on disposal of Property, Plant and Equipment	-	-
Actual surplus before appropriations	(1 815 197)	1 214 968

DETAILS	2009	2008
Variance per Service Segment:		
Budgeted surplus before appropriations	(3 618 482)	(2 796 532)
Executive and Council	(2 235 831)	2 394 365
Finance and Administration	533 299	526 542
Planning and Development	112 956	(10 594)
Health	29 852	24 735
Community and Social Services	60 164	43 604
Housing	(71 711)	216 017
Public Safety	(65 041)	575 419
Sport and Recreation	3 115	40 451
Waste Management	(11 780)	(52 949)
Roads and Transport	1 057 684	71 701
Water	2 269 082	39 731
Electricity	116 804	138 606
Other	4 692	3 872
Actual surplus before appropriations	(1 815 197)	1 214 968

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with a cryptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

5.2 Capital Budget:

DETAILS	Actual 2008/2009 R	Actual 2007/2008 R		Budgeted 2008/2009 R	Variance actual/ budgeted R
Executive and Council	7 504	2 919		-	7 504
Finance and Administration	185 013	181 900		686 083	(501 070)
Planning and Development	351	23 778		18 000	(17 649)
Public Works	28 833	323 270		-	28 833
Community and Social Services	1 459	-		50 000	(48 541)
Housing	-	-		615 000	(615 000)
Public Safety	191 935	70 711		212 500	(20 565)
Sport and Recreation	5 625	-		-	5 625
Waste Management	61 915	347 011		-	61 915
Roads and Transport	1 351 150	138 983		1 037 400	313 750
Water	2 336 955	1 106 171		2 188 269	148 686
Electricity	702	265 784		800	(98)
Other	634 308	294 422		557 948	76 360
	4 805 749	2 754 949		5 366 000	(560 251)

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a cryptic explanation of significant variances of more than 5% from budget, are included in Appendix "E (2)".

6. ACCUMULATED SURPLUS

The balance of the Accumulated Surplus as at 30 June 2009 amounted to R 47 262 786 (30 June 2008: R 46 910 297) and is made up as follows:

Capital Replacement Reserve	4 383 964
Government Grants Reserve	30 582 437
Donations and Public Contributions Reserve	2 416 018
Accumulated Surplus	9 880 368
	47 262 787

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contribution, depending on the availability of cash, is made annually to the reserve.

The Capitalisation and Donations and Public Contributions Reserves are utilised to offset the cost of depreciation of assets funded from Internal Advances (not applicable anymore) and Contributions from Public over the lifespan of such assets. Amounts equal to the cost of assets acquired from Public Contributions are transferred to the reserve annually.

The municipality, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

7. Grants

The balance of Grants unspent as at 30 June 2009 was R 3 177 373 (30 June 2008: R 2 700 903).

Grants utilised to obtain assets are transferred to Deferred Revenue and released into the operating account over the lifespan of the assets funded from such grants.

Refer to Note 17 for more detail.

8. LONG-TERM LIABILITIES

No Long - Term liabilities

9. RETIREMENT BENEFIT LIABILITIES

The outstanding amount of Retirement Benefit Liabilities as at 30 June 2009 was R 2 098 000

This liability is in respect of continued Health Care Benefits for employees of the municipality after retirement being members of schemes providing for such benefits. This liability is unfunded.

Refer to Note 18 for more detail.

10. NON-CURRENT PROVISIONS

Non-current Provisions amounted R 67 514 as at 30 June 2009 (30 June 2008: R 40 811) and is made up as follows:

Provision for Long-term Service	67 514
	67 514

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 19 for more detail.

11. CURRENT LIABILITIES

Current Liabilities amounted R 5 333 250 as at 30 June 2009 (30 June 2008: R 3 602 522) and is made up as follows:

Consumer Deposits	Note 14	223 785
Provisions	Note 15	482 723
Creditors	Note 16	1 266 601
Unspent Conditional Grants and Receipts	Note 17	3 177 375
Bank Overdraft	Note 7	168 110
Operating Lease Liabilities	Note 8	14 656
		5 333 250

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). The reason as to why the municipality will not be able to meet its obligations is unknown.

Refer to the indicated Notes for more detail.

12. PROPERTY, PLANT AND EQUIPMENT

The value of Property, Plant and Equipment was R 65 200 747as at 30 June 2009 (30 June 2008: R 60 394 999).

Refer to Note 9 and Appendices "B, C and E (2)" for more detail.

13. INTANGIBLE ASSETS

The Laingsburg municipality has no intangible assets

14. INVESTMENTS

No long term investments were noted

15. LONG-TERM RECEIVABLES

Long-term Receivables of R 106 252 at 30 June 2009 (30 June 2008: R 105 005) is made up as follows:

Housing - Self build	66 739
Housing - Selling schemes	71 593
	138 331
Less: Short-term portion included in Current Assets	32 079
	106 252

Refer to Notes 13 for more detail.

16. CURRENT ASSETS

Current Assets amounted R 15 510 270 as at 30 June 2009 (30 June 2008: R 15 735 015) and is made up as follows:

Inventory	Note 2	346 978
Investment Deposits	Note 3	-
Consumer Debtors	Note 4	578 359
Other Debtors	Note 5	3 670 817
VAT	Note 6	285 725
Bank Balances and Cash	Note 7	10 596 312
Current Portion of Long-term Receivables	Note 13	32 079
		15 510 271

The substantial increase is due to the provision for consumption of metered services from the last reading dated 30 June 2009. Council's Credit Control Policy will have to be applied strictly and adhered to in all circumstances in order to recover monies due to the municipality. The non-collection of debt also has a negative impact on the municipality's cash flow.

Refer to the indicated Notes for more detail.

REPORT OF THE CHIEF FINANCIAL OFFICER

17. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 17 and 27, and Appendix "F" for more detail.

18. EVENTS AFTER THE REPORTING DATE

Full details of all known events, if any, after the reporting date are disclosed in Note 46.

19. GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Annual Financial Statements have been converted to the new reporting GRAP-format and is now presented as such on continuous basis.

20. EXPRESSION OF APPRECIATION

We are grateful to the Executive Mayor, members of the Mayoral Committee, Councillors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

CHIEF FINANCIAL OFFICER

A GROENEWALD

29 August 2009

LAINGSBURG MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Note	2009 R	2008 R
ASSETS			
Current Assets		**15 510 271**	**15 734 839**
Inventory	**2**	346 978	576 894
Trade Receivables from Exchange Transactions	**4**	578 359	403 588
Trade Receivables from Non-Exchange Transactions	**5**	3 670 817	2 444 596
VAT Receivable	**6**	285 725	291 226
Bank, Cash and Cash Equivalents	**7**	10 596 312	11 986 456
Current Portion of Long-term Receivables	**13**	32 079	32 079
Non-Current Assets		**41 424 390**	**39 442 275**
Property, Plant and Equipment	**9**	39 755 752	37 713 320
Investment Property	**11**	1 562 386	1 623 949
Long-term Receivables	**13**	106 252	105 005
Total Assets		**56 934 661**	**55 177 114**
LIABILITIES			
Current Liabilities		**5 333 250**	**3 602 522**
Consumer Deposits	**14**	223 785	201 544
Provisions	**15**	482 723	261 833
Creditors	**16**	1 266 601	426 602
Unspent Conditional Grants and Receipts	**17**	3 177 375	2 700 903
Operating Lease Receivables	**8**	14 656	11 640
Bank Overdraft	**7**	168 110	-
Non-Current Liabilities		**2 122 514**	**40 811**
Retirement Benefit Liabilities	**18**	2 055 000	-
Non-current Provisions	**19**	67 514	40 811
Total Liabilities		**7 455 763**	**3 643 333**
Total Assets and Liabilities		**49 478 898**	**51 533 781**
NET ASSETS		**49 478 898**	**51 533 781**
Statutory Funds	**20**	2 216 111	2 245 712
Accumulated Surplus / (Deficit)	**22**	47 262 787	49 288 069
Total Net Assets		**49 478 898**	**51 533 781**

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Note	Actual 2009 R	2008 R
REVENUE			
Property Rates	**23**	1 122 420	1 233 501
Property Rates - Penalties imposed and collection charges	**24**	29 611	6 856
Service Charges	**25**	6 399 528	5 376 340
Rental of Facilities and Equipment	**26**	473 617	468 450
Interest Earned - External Investments	**24**	1 421 686	1 410 241
Interest Earned - Outstanding Debtors	**24**	50 588	55 672
Fines		1 977 292	2 175 042
Licences and Permits		91 486	36 771
Income for Agency Services		94 581	57 998
Government Grants and Subsidies Received	**27**	9 285 210	6 738 526
Public Contributions and Donations	**28**	49 495	39 248
Other Income	**29**	196 618	168 973
Total Revenue		**21 192 133**	**17 767 618**
EXPENDITURE			
Employee Related Costs	**30**	7 722 070	4 772 857
Remuneration of Councillors	**31**	2 009 081	1 243 052
Collection Costs		3 093	76 959
Depreciation and Amortisation	**32**	2 824 881	2 933 995
Impairment Losses		62 000	-
Repairs and Maintenance		893 951	779 571
Bulk Purchases	**33**	2 204 503	1 701 508
Contracted Services		519 216	845 059
Grants and Subsidies Paid	**34**	1 750 331	1 346 146
General Expenses	**35**	5 018 203	2 853 504
Total Expenditure		**23 007 329**	**16 552 650**
OTHER REVENUE / EXPENDITURE INCURRED			
SURPLUS / (DEFICIT) FOR THE YEAR		**(1 815 197)**	**1 214 968**

Refer to Appendix E(1) for explanation of budget variances

LAINGSBURG MUNICIPALITY
STATEMENT 0F CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

Description	Pre-GAMAP Reserves and Funds	Housing Development Fund	Revolving Fund	Dog Licence Fund	Capital Reserve Fund	Reparation Fund	Revaluation Reserve	Accumulated Surplus / (Deficit) Account				Total for Accumulated Surplus/(Deficit) Account	Total
								Capital Replacement Reserve	Donations and Public Contr Reserve	Government Grants Reserve	Accumulated Surplus / (Deficit)		
		R					R	R	R	R	R	R	R
2008													
Balance at 30 June 2007	57 640 050	1 100 319	5 154 600	77 552	1 140 575	9 662	-		-		4 644 800	4 644 800	69 767 557
Change in Accounting Policy (Note 38)			(5 154 600)	(77 552)	(1 140 575)	(9 662)	-	6 295 175			-	6 295 175	(87 214)
Change in Accounting Policy (Note 38)	(57 640 050)	1 123 155							2 613 732	29 823 272		32 437 004	(24 079 891)
Change in Accounting Policy (Note 38)											6 043 364	6 043 364	6 043 364
Restated Balance	-	**2 223 474**	-	-	-	-	**-**	**6 295 175**	**2 613 732**	**29 823 272**	**10 688 164**	**49 420 343**	**51 643 817**
Surplus / (Deficit) for the year	-	22 238	-	-	-	-		-	-	-	1 214 968	1 214 968	1 237 205
Net gains / (losses) Previous year											147 604	147 604	147 604
Net gains / (losses) Previous year	-	-	-	-	-	-	-	-	-	-	(1 135 599)	(1 135 599)	(1 135 599)
Funds utilised to finance PPE	-	-	-	-	-	-	-	(780 137)	-	-	780 137	-	-
Operating Leases	-	-	-	-	-	-	-	-	-	-	(11 874)	(11 874)	(11 874)
Grants utilised to obtain PPE	-	-	-	-	-	-	-	-	-	1 974 812	(1 974 812)	-	-
Changes on Depreciation											(48 561)	(48 561)	(48 561)
Difference in Grants Received											(298 812)	(298 812)	(298 812)
Offsetting of Depreciation (Jn 8)	-	-	-	-	-	-	-	-	(101 071)	(2 236 708)	2 337 779	-	-
Balance at 30 June 2008	-	**2 245 712**	-	-	-	-	**-**	**5 515 038**	**2 512 661**	**29 561 376**	**11 698 994**	**49 288 069**	**51 533 780**
2009													
Restated Balance		**2 245 712**	**-**	**-**	**-**	**-**	**-**	**5 515 038**	**2 512 661**	**29 561 376**	**11 698 994**	**49 288 069**	**51 533 780**
Surplus / (Deficit) for the year		(29 601)	-	-	-	-	-	-	-	-	(1 785 596)	(1 785 596)	(1 815 197)
Net gains / (losses) Previous year		-	-	-	-	-	-	-	-	-	(74 182)	(74 182)	(74 182)
Funds utilised to finance PPE		-	-	-	-	-	-	(1 631 074)	-	-	1 631 074	-	-
Changes to Accumulated surplus		-	-	-	-	-	-	-	-	-	(165 504)	(165 504)	(165 504)
Transfer to CRR		-	-	-	-	-	-	500 000	-	-	(500 000)	-	-
Grants utilised to obtain PPE		-	-	-	-	-	-	-	-	3 174 675	(3 174 675)	-	-
Offsetting of Depreciation		-	-	-	-	-	-	-	(96 643)	(2 153 614)	2 250 257	-	-
Balance at 30 June 2009		**2 216 111**	**-**	**-**	**-**	**-**	**-**	**4 383 964**	**2 416 018**	**30 582 437**	**9 880 368**	**47 262 787**	**49 478 897**
		-					-	-	-	-			

LAINGSBURG MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from Ratepayers, Government and Other		20 267 612
Cash paid to Suppliers and Employees		(18 520 754)
Cash generated from / (utilised in) Operations	**39**	**1 746 858**
Interest received	**24**	1 501 885
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		**3 248 743**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**9**	(4 805 749)
(Increase) / decrease in Non-current Investments		-
(Increase) / decrease in Long-term Receivables	**13**	(1 247)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(4 806 996)**
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**-**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**7**	**(1 558 253)**
		0
Cash and Cash Equivalents at the beginning of the year		11 986 456
Cash and Cash Equivalents at the end of the year		10 428 203

	2009 R	2008 R

1. GENERAL INFORMATION

Laingsburg Municipality (the municipality) is a local government institution in the Western Cape. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction and overview of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by The Constitution.

2. INVENTORY

Milk Powder - at cost	30 782	30 782
Grit	134 294	364 034
Gravel	181 902	182 078
Total Inventory	**346 978**	**576 894**

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standard Board, issued in February 2008. The municipality did not measure the following inventories:

Water

3. INVESTMENTS

Call investments	-	-
	-	**-**

The previous year's amount classified as call investments were restated as cash as it was immediately available

4. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances	Provision for Impairment	Net Balances
As at 30 June 2009			
Service Debtors:	510 587	-	510 587
Services	510 587	-	510 587
Loan Instalments		-	-
House Rentals	67 772	-	67 772
Total Consumer Debtors	**578 358**	**-**	**578 358**

	Gross Balances	Provision for Impairment	Net Balances
As at 30 June 2008			
Service Debtors:	343 374	-	343 374
Electricity	141 499	-	141 499
Refuse	68 843	-	68 843
Sewerage	72 895	-	72 895
Water	60 137	-	60 137
House Rental	60 214	-	60 214
Total Consumer Debtors	**403 588**	**-**	**403 588**

Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter a surcharges is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Consumer Debtors.

The municipality receives applications that it processes. Deposits are required to be paid for all water and electricity accounts opened. There are no consumers who represent more than 6.16 % of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

Age analysis is not available on the debtors system.

	2009 R	2008 R

5. TRADE RECEIVABLES FROM NON - EXCHANGE TRANSACTIONS

Government Claims	1 989 819	1 189 661
Sundry Deposits	26 972	26 972
Sundry Debtors	643 858	79 236
Fruitless and Wasteful Expenditure (See Note 40.2)	-	252 325
Assessment Rates	1 124 169	896 402
	-	-
	3 784 817	2 444 596
Less: Provision for Impairment	(114 000)	-
Total Other Debtors	**3 670 817**	**2 444 596**

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies is payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The fair value of Other Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and National / Provincial Departments as well as Other Debtors. The current payment ratio's of Other Debtors were also taken into account for fair value determination.

6. VAT RECEIVABLE

Vat Receivable	285 725	291 226

Vat is payable on the receipts basis. Only once payment is reveived from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

7. BANK, CASH AND CASH EQUIVALENTS

Bank, Cash and Cash Equivalents	650	437 726
Bank Overdraft	(168 110)	-
Total Bank, Cash and Cash Equivalents	**(167 460)**	**437 726**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Bank, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

7.2 Bank Accounts

Primary Bank Account

ABSA -Laingsburg Account Number 2540140874

Cash book balance at beginning of year	437 076	(777 778)
Cash book balance at end of year	(168 110)	437 076
Bank statement balance at beginning of year	1 766 835	265 818
Bank statement balance at end of year	1 141 503	1 766 835

7.3 Cash and Cash equivalents

Cash Floats and Advances	650	650
Cash on hand in Cash Floats, Advances and Equivalents	650	650

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

	2009 R	2008 R
7.3 Call Investments		
Accumulated Surplus	1 996 787	2 492 035
Compensation Act	70 778	34 592
Capital Reserve	-	1 140 575
FMG Funds	30 835	234 097
MSIG Funds	664 730	362 684
Taxi Parking	602 311	602 311
Electricity :108 Houses	183 511	183 511
Spacial Development	204 913	253 246
Sewerage Master Plan	92 140	92 140
Asset Finance Reserve	4 305 151	4 295 650
Housing Fund	368 541	399 268
Electricity Tariffs	20 000	20 000
Water	74 601	34 596
Staff Leave	247 673	117 206
Long Service Bonus	100 907	69 702
Performance Bonus	87 879	81 144
Bulk Water Services	205 428	39 917
Bus routes	693 000	497 063
Deposits	16 787	16 112
Sport	5 937	5 744
Consumer Services	223 785	201 544
High Mast Lighting	69 954	214 407
Environmentel Matters	1 205	1 205
Masibebane	326 215	109 215
Soup Kitchen	2 595	50 768
	10 595 662	**11 548 730**

These investments can easy be converted to cash and is there for classified as cash.

8. OPERATING LEASE RECEIVABLES

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13.

Balance at beginning of year	(11 640)	(11 874)
Operating Lease expenses recorded	(3 016)	234
Total Operating Lease Assets	**(14 656)**	**(11 640)**

8.1 Leasing Arrangements

The Municipality as Lessor:
Operating Leases relate to Property owned by the municipality with lease terms of 5 years, with an option to extend. The lessee does not have an option to purchase the property at the expiry of the lease period.

8.2 Amounts receivable under Operating Leases

At the Reporting Date the following lease receipts were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	-	-
2 to 5 years	148 097	211 568
Total Operating Lease Arrangements	**148 097**	**211 568**

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been an increase in current year income of R 3015 (2008: R234).

No restrictions have been imposed by the municipality in terms of the operating lease

9. PROPERTY, PLANT AND EQUIPMENT

The Municipality has taken advantage of the transitional provisions set out in GRAP 17. The Municipality is in the process of itemising all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009.

30 June 2009

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Other	Total
	R	R	R	R	R
Carrying values at 01 July 2008	**1 343 143**	**20 144 437**	**14 463 835**	**1 761 905**	**37 713 320**
Cost	1 552 085	35 480 935	16 767 944	4 402 092	58 203 056
- *Completed Assets*	*1 552 085*	*35 480 935*	*16 767 944*	*4 402 092*	*58 203 056*
- *Under Construction*	-	-	-	-	-
Correction of error (Note 33)	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-
Accumulated Depreciation:	(208 942)	(15 336 498)	(2 304 109)	(2 640 187)	(20 489 736)
- *Cost*	*(208 942)*	*(15 336 498)*	*(2 304 109)*	*(2 640 187)*	*(20 489 736)*
- *Revaluation*	-	-	-	-	-
Acquisitions	583 456	3 773 041	16 792	432 460	4 805 749
Borrowing Costs Capitalised	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-
- *Cost*	-	-	-	-	-
- *Borrowing Costs Capitalised*	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-
Depreciation:	(37 777)	(1 673 383)	(597 943)	(454 214)	(2 763 317)
- *Based on Cost*	*(37 777)*	*(1 673 383)*	*(597 943)*	*(454 214)*	*(2 763 317)*
- *Based on Revaluation*	-	-	-	-	-
Carrying value of Disposals:	-	-	-	-	-
- Cost	-	-	-	(3 000)	(3 000)
- Revaluation	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-
- Accumulated Depreciation	-	-	-	3 000	3 000
- *Based on Cost*	-	-	-	*3 000*	*3 000*
- *Based on Revaluation*	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Capital under Construction - Completed	-	-	-	-	-
Other Movements	-	-	-	-	-
- Cost	-	-	-	-	-
- Revaluation	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-
- *Based on Cost*	-	-	-	-	-
- *Based on Revaluation*	-	-	-	-	-
Carrying values at 30 June 2009	**1 888 822**	**22 244 095**	**13 882 684**	**1 740 151**	**39 755 752**
Cost	2 135 541	39 253 976	16 784 737	4 831 552	63 005 805
- *Completed Assets*	*2 135 541*	*39 253 976*	*16 784 737*	*4 831 552*	*63 005 805*
- *Under Construction*	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-
Accumulated Depreciation:	(246 719)	(17 009 881)	(2 902 053)	(3 091 401)	(23 250 053)
- *Cost*	*(246 719)*	*(17 009 881)*	*(2 902 053)*	*(3 091 401)*	*(23 250 053)*
- *Revaluation*	-	-	-	-	-

Description	Land and Buildings	Infra-structure	Community	Other	Total
	R	R	R	R	R
Carrying values at 01 July 2007	**1 114 723**	**20 399 272**	**15 114 571**	**1 198 176**	**37 826 742**
Cost	1 294 122	33 927 786	16 748 257	3 477 942	55 448 107
- *Completed Assets*	*1 294 122*	*33 927 786*	*16 748 257*	*3 477 942*	*55 448 107*
- *Under Construction*	-	-	-	-	-
Correction of error (Note 33)	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-
Accumulated Depreciation:	(179 399)	(13 528 514)	(1 633 686)	(2 279 766)	(17 621 366)
- *Cost*	*(179 399)*	*(13 528 514)*	*(1 633 686)*	*(2 279 766)*	*(17 621 366)*
- *Revaluation*	-	-	-	-	-
Acquisitions	257 963	1 553 149	19 687	924 150	2 754 949
Borrowing Costs Capitalised	-	-	-	-	-
Capital under Construction - Additions	-	-	-	-	-
- *Cost*	-	-	-	-	-
- *Borrowing Costs Capitalised*	-	-	-	-	-
Increases in Revaluation	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-
Depreciation:	(29 543)	(1 807 984)	(670 423)	(360 420)	(2 868 371)
- *Based on Cost*	*(29 543)*	*(1 807 984)*	*(670 423)*	*(360 420)*	*(2 868 371)*
- *Based on Revaluation*	-	-	-	-	-
Carrying values at 30 June 2008	**1 343 143**	**20 144 437**	**14 463 835**	**1 761 905**	**37 713 320**
Cost	1 552 085	35 480 935	16 767 944	4 402 092	58 203 056
- *Completed Assets*	*1 552 085*	*35 480 935*	*16 767 944*	*4 402 092*	*58 203 056*
- *Under Construction*	-	-	-	-	-
Revaluation	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	-
Accumulated Depreciation:	(208 942)	(15 336 498)	(2 304 109)	(2 640 187)	(20 489 736)
- *Cost*	*(208 942)*	*(15 336 498)*	*(2 304 109)*	*(2 640 187)*	*(20 489 736)*
- *Revaluation*	-	-	-	-	-

Total Property, Plant and Equipment held by the municipality at 30 June 2009 amounted to R63, 005 million (2008: R60,395 million).

Refer to Appendices "B, C and E (2)" for more detail on Property, Plant and Equipment, including those in the course of construction.

	2009 R	2008 R

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Utilisation of Transitional provisions of Directive 4

The Municipality has taken advantage of the transitional provision in paragraph 78 of GRAP 17, as set out in Directive 4, which allows entities a period of up to 3 years from the date of initial adoption of GRAP 17 to comply in full with its measurement requirements. The municipality aim to fully comply with GRAP 17 by 30 June 2011.

In terms of the transitional provisions of Directive 4, the municipality currently measures its Infrastructure Assets, Land and Buildings Community Assets, Heritage Assets, Housing Rental stock and Other Assets at historical global amounts, or in cases where no cost prices are available, at provisional amounts. During the transitional period the municipality has already finalised a process of componentisation of assets that were recorded at global amounts and not initially measured and recorded in the significant components making up the assets. Where sufficient historical data on assets, relating to initial cost prices, are not available to the municipality, the municipality still have to measure its assets at a deemed cost which represents fair value or depreciated replacement cost at the date the asset was acquired, if the acquisition date is known; or the fair value or depreciated replacement cost of the asset determined at the earliest date for which the municipality first prepared financial statements that complied with Standards of GRAP, i.e. 1 July 2007, if the asset's acquisition date is unknown.

10. INTANGIBLE ASSETS

No Intangible Assets

11. INVESTMENT PROPERTY

At Fair Value	-	-
At Cost less Accumulated Depreciation	**1 562 386**	**1 623 949**

The movement in Investment Property is reconciled as follows:

Carrying values at 1 July 2008	**1 623 949**	**1 623 949**
Cost	2 191 942	2 191 942
Fair Value	-	-
Accumulated Depreciation	(567 993)	(567 993)
Accumulated Impairment Losses	-	-
Reversal of Impairment Losses during the Year	-	-
Transfers during the Year:	(61 564)	-
At Cost	-	-
At Accumulated Depreciation	(61 564)	-
At Accumulated Impairment	-	-
Carrying values at 30 June 2009	**1 562 386**	**1 623 949**
Cost	2 191 942	2 191 942
Fair Value	-	-
Accumulated Depreciation	(629 556)	(567 993)
Accumulated Impairment	-	-

The municipality's Investment Property is valued every 4 years with the new valuation roll. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties.

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

11.2 Impairment of Investment Property:

The municipality has not tested its items of Investment Property for any potential impairment losses on assets. Furthermore, no review of the useful lives or depreciation methods applied to items of Investment Property has been performed. (N/A if FV model is used) The afore-mentioned actions have not been carried out by the municipality due to the exemptions granted in terms of Directive 4 issued by the ASB.

12. BIOLOGICAL ASSETS

No Biological Assets

	2009 R	2008 R

13. LONG-TERM RECEIVABLES

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2009			
Housing - Selfbuild	66 739	-	66 739
Housing - Selling schemes	71 593	-	71 593
	138 331	-	138 331
Less: Current Portion transferred to Current Receivables:-			32 079
Housing - Selfbuild			19 485
Housing - Selling schemes			12 594
Total Long-term Receivables			**106 252**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2008			
Housing - Selfbuild	63 209	-	63 209
Housing - Selling schemes	73 875	-	73 875
	137 084	-	137 084
Less: Current Portion transferred to Current Receivables:-			32 079
Housing - Selfbuild			19 485
Housing - Selling schemes			12 594
Total Long-term Receivables			**105 005**

	2009 R	2008 R
14. CONSUMER DEPOSITS		
Electricity and Water	223 785	201 544
Total Consumer Deposits	**223 785**	**201 544**
Guarantees held in lieu of Elecricity and Water Deposits	-	-

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

	2009 R	2008 R
15. PROVISIONS		
Performance Bonuses	87 879	81 144
Long Service Bonus	33 393	28 891
Staff Leave	247 673	117 206
Insurance WCA	70 778	34 592
Current Portion of Post-retirement Medical Aid Benefits Liability (See Note 18)	43 000	-
Total Provisions	**482 723**	**261 833**

Performance Bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff Leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

The movement in current provisions are reconciled as follows:

Current Portion of Non-Current Provisions:

	Insurance WCA R	Performance Bonuses R
30 June 2009		
Balance at beginning of year	34 592	81 144
Contributions to provision	36 186	6 735
Expenditure incurred		-
Balance at end of year	**70 778**	**87 879**
30 June 2008		
Balance at beginning of year	27 212	65 800
Contributions to provision	34 592	86 408
Expenditure incurred	(27 212)	(71 064)
Balance at end of year	**34 592**	**81 144**

	2009 R	2008 R
16. CREDITORS		
Trade Creditors		
Debtors in Credit	165 843	94 312
Sundry Deposits	714 848	41 878
Other Creditors	385 911	290 412
Total Creditors	**1 266 601**	**426 602**

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
17.1 Conditional Grants from Government	**3 177 375**	**2 700 903**
National Government Grants	2 390 375	1 721 277
Provincial Government Grants	787 000	979 626
		-
Total Conditional Grants and Receipts	**3 177 375**	**2 700 903**

The amount for Unspent Conditional Grants and Receipts are deposited in ring-fenced investment accounts until utilised.

See Note 27 for the reconciliation of Grants from Other Spheres of Government.

Refer to Appendix "F" for more detail on Conditional Grants.

18. RETIREMENT BENEFIT LIABILITIES		
18.1 Post-retirement Health Care Benefits Liability		
Balance at beginning of Year	-	
Contributions to Provision	2 098 000	-
	-	-
Balance at end of Year	2 098 000	-
Transfer to Current Provisions	(43 000)	-
Total Post-retirement Health Care Benefits Liabiltiy	**2 055 000**	**-**

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2009 by Alexander Forbes Health (Pty) Ltd. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	21	
Continuation Members (Retirees, widowers and orphans)	1	
Total Members	**22**	**-**

	2009 R	2008 R

18.1 Post-retirement Health Care Benefits Liability (Continued)

The liability in respect of past service has been estimated as follows:

In-service Members	1 008 000	
Continuation Members	1 090 000	
Total Liability	**2 098 000**	**-**

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- Samwumed

The Current-service Cost for the year ending 30 June 2009 is estimated to be R145,000 whereas the cost for the ensuing year is estimated to be R127,000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	0	
Health Care Cost Inflation Rate	0	
Net Effective Discount Rate	0	
Expected Rate of Salary Increase	0	
Expected Retirement Age - Females	65	
Expected Retirement Age - Males	60	

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	-	
Current service costs	145 000	
Interest cost	228 000	
Past-service costs	2 144 000	
Benefits paid	(41 000)	
Actuarial losses / (gains)	(378 000)	
Present Value of Fund Obligation at the end of the Year	**2 098 000**	**-**
Actuarial losses / (gains) unrecognised		
Total Recognised Benefit Liability	**2 098 000**	**-**

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	2 098 000	
	2 098 000	
Deficit	2 098 000	
Total Benefit Liability	**2 098 000**	

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	145 000	
Interest cost	228 000	
Actuarial losses / (gains)	(378 000)	
Vested past service costs	2 144 000	
Actuarial losses / (gains)	(378 000)	
Total Post-retirement Benefit included in Employee Related Costs (Note 30)	**2 139 000**	

The history of experienced adjustments is as follows:

	2009 R	2008 R	2007 R
Present Value of Defined Benefit Obligation	2 098 000	-	-
Deficit	**2 098 000**	**-**	**-**
Experienced adjustments on Plan Liabilities	(1 260 526)	-	-

In accordance with the transitional provisions for the amendments to IAS 19 Employee Benefits in December 2006, the disclosures above are determined prospectively from the 2006 reporting period.

	2009 R	2008 R

18.1 Post-retirement Health Care Benefits Liability (Continued)

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:	
Effect on the aggregate of the current service cost and the interest cost	92 000
Effect on the defined benefit obligation	516 000
Decrease:	
Effect on the aggregate of the current service cost and the interest cost	(68 000)
Effect on the defined benefit obligation	(388 000)

The municipality expects to make a contribution of R0.324 million to the Defined Benefit Plans during the next financial year.

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2009 in terms of IAS 19, Employee Benefits, paragraph155(a). The municipality has elected to recognise the full increase in this Defined Benefit Liability immediately, thus the full transitional liability have been recognised as at 30 June 2009 .

Refer to Note 44 "Multi-employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

	2009 R	2008 R
19. NON-CURRENT PROVISIONS		
Provision for Long Service Awards	67 514	40 811
Total Non-current Provisions	**67 514**	**40 811**

The movement in Non-current Provisions are reconciled as follows:

	Long Service Awards R
30 June 2009	
Balance at beginning of year	69 702
Contributions to provision	60 096
Increase due to discounting	-
Expenditure incurred	(28 891)
Reduction due to re-measurement	
	100 907
Transfer to current provisions	(33 393)
Balance at end of year	**67 514**
30 June 2008	
Balance at beginning of year	-
Contributions to provision	69 702
Increase due to discounting	-
Expenditure incurred	-
Reduction due to re-measurement	
	69 702
Transfer to current provisions	(28 891)
Balance at end of year	**40 811**

Short Term Bonus	
A van der Merwe	15 378
M Visagie	5 034
A Jacobs	3 730
P Buus	4 749
	28 891

19.1 Long Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. The provision is an estimate of the long-service based on years of serviceturnover. No other long-service benefits are provided to employees.

	2009 R	2008 R
20. STATUTORY FUNDS		
Statutory Fund No 1	-	-
Housing Development Fund:	2 216 111	2 245 712
Balance 30 June	2 245 712	1 100 319
Adjustment of house prices	-	1 123 155
Unappropriated Surplus	(29 601)	22 238
Total Statutory Funds	**2 216 111**	**2 245 712**

20.1 Housing Development Fund

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

The Housing Development Fund contains all proceeds from housing developments, which include rental income and sale of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Reconciliation of the Housing Development Fund:

Balance at beginning of year	2 245 712	2 223 474
Revenue:	(29 601)	22 238
Land Sales	-	-
Housing Rental Debtors	(29 601)	22 238
Less; Expenditure:	-	-
Funding of Capital Projects	-	-
Funding of Operationing Projects	-	-
Balance at end of year	**2 216 111**	**2 245 712**

The Housing Development Fund is represented by the following Assets and Liabilities:

Revaluation of Assets	1 123 155	1 123 155
Instalment Sales Debtors	158 807	153 485
Advances 108 Houses	563 756	570 959
Cash and Cash Equivalents	368 541	399 268
Creditors	1 852	(1 154)
Total Housing Development Fund Assets and Liabilities	**2 216 111**	**2 245 712**

21. RESERVES		
Revaluation Reserve	-	-
Total Reserves	**-**	**-**

	2009 R	2008 R

22. ACCUMULATED SURPLUS

The Accumulated Surplus consists of the following Internal Funds and Reserves:

Capital Replacement Reserve (CRR)	4 383 964	5 515 038
Capitalisation Reserve	-	-
Donations and Public Contributions Reserve	2 416 018	2 512 661
Government Grants Reserve	30 582 437	29 561 376
Accumulated Surplus / (Deficit) due to the results of Operations	9 880 368	11 698 994
Total Accumulated Surplus	**47 262 787**	**49 288 069**

Accumulated Surplus has been restated to adhere to the provisions of GRAP 23, *Revenue from Non-exchange Transactions*. Refer to Note 38 on "Change in Accounting Policy" for details of the restatement.

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

	2009 R	2008 R

23. PROPERTY RATES

	Property Valuations		Actual Levies	
	July 2009 R000's	July 2008 R000's		
Residential	67 237 600	67 237 600	831 647	830 194
Commercial	152 729 904	152 729 904	290 773	403 307
Agricultural			-	-
State			-	-
Municipal			-	-
Exempted Properties	26 672 800	26 672 800	-	-
Total Assessment Rates	**246 640 304**	**246 640 304**	**1 122 420**	**1 233 501**
Attributable to:				
Continuing Operations			1 122 420	1 233 501
Discontinued Operations			-	-
			1 122 420	**1 233 501**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2004. A general valuation has been performed during the financial year and will be applied with effect 1 July 2009.

An average general rate on general and commercial of 1,954 c/R (2007/2008: 1,808 c/R) is applied to property valuations to determine

A rebate of 90,00% (2007/2008: 85,00%) was allowed on agricultural properties.

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied at a rate determined by council on outstanding rates amounts.

24. INTEREST EARNED

Property Rates:		
Penalties imposed and Collection Charges	29 611	6 856
	29 611	**6 856**
External Investments:		
Bank Account	-	-
Investments	1 421 686	1 410 241
Other Interest	-	
	1 421 686	**1 410 241**
Outstanding Debtors:		
Land Sales	-	-
Long-term Debtors	-	
Outstanding Billing Debtors	50 588	55 672
	50 588	**55 672**
Total Interest Earned	**1 501 885**	**1 472 769**
Interest Earned on Financial Assets, analysed by category of asset, is as follows:		
Avaliable-for-Sale Financial Assets	1 421 686	1 410 241
Loans and Receivables	80 199	62 528
Held-to-Maturity Investments	-	-
	1 501 885	1 472 769
Interest Earned on Non-financial Assets	-	-
	1 501 885	**1 472 769**

Revenue recognised in respect of Financial Assets designated as at "fair value through profit or loss" is disclosed in Note 43

	2009 R	2008 R
25 SERVICE CHARGES		
Sale of Electricity	3 352 929	2 621 919
Sale of Water	1 095 245	1 095 582
Refuse Removal	849 299	747 292
Sewerage and Sanitation Charges	1 102 055	986 707
Rebates		(75 160)
Total Service Charges	**6 399 528**	**5 376 340**
Attributable to:		
Continuing Operations	6 399 528	5 376 340
Discontinued Operations	-	-
	6 399 528	**5 376 340**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

26. RENTAL OF FACILITIES AND EQUIPMENT		
Finance Lease Rental Revenue	-	-
Operating Lease Rental Revenue:		
- Investment Property	60 222	60 135
Rental Revenue from Cutlery	2 090	2 115
Rental Revenue from Buildings	294 704	250 924
Rental Revenue from Land	2 642	2 946
Rental Revenue Sundry	96 436	56 023
Rental Revenue Machines	2 111	4 569
Rental Revenue Hawkers	15 414	18 031
Total Rental of Facilities and Equipment	**473 617**	**394 742**
Attributable to:		
Continuing Operations	473 617	394 742
Discontinued Operations	-	-
	473 617	**394 742**

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

27. GOVERNMENT GRANTS AND SUBSIDIES RECEIVED		
Other Subsidies	-	-
Operational Grants	**-**	**-**
Conditional Grants	**9 285 210**	**6 738 526**
National: Equitable Share	4 420 759	3 508 390
National: FMG	703 262	592 076
National: MIG	2 754 093	409 476
National: MSIG	432 954	853 404
National: DWAF	497 063	886 736
National: Sport and Development	-	8 800
Department of Mineral and Energy	-	78 813
Provincial: Library	212 086	40 878
Provincial: Streets	-	30 464
Provincial: Community Centre	145 180	62 564
Provincial: Seta	-	9 848
Provincial: Community Worker	-	90 000
Provincial: DHLGTA Grant	23 307	66 499
Provincial: Environment	48 333	7 345
Local Government: Local Municipalities Grant	48 173	93 232
Total Government Grants and Subsidies Received	**9 285 210**	**6 738 526**
Attributable to:		
Continuing Operations	9 285 210	6 738 526
Discontinued Operations	-	-
	9 285 210	**6 738 526**

The comparative figures for Government Grants and Subsidies have been restated to adhere to the provisions of GRAP 23, *Revenue from Non-exchange Transactions*. Refer to Note 9.3 on "Change in Accounting Policy" for details of the restatement.

	2009 R	2008 R
27.1 National: Equitable Share	4 420 759	3 508 390

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents of Goldville receive a monthly subsidy up to R159.72 pm and consumers in Bergsig received R 154.87 pm, based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. All consumers receive 6 kl water and the indigent households receive 50 kWh electricity free every month.

27.2 National: FMG Grant

Balance unspent at beginning of year	234 097	576 173
Current year receipts	500 000	250 000
Interest allocated	-	
Conditions met - transferred to Revenue: Operating Expenses	(703 262)	(592 076)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**30 835**	**234 097**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

27.3 National: MIG Funds

Balance unspent at beginning of year	74 512	(256 524)
Current year receipts	982 000	449 392
Own Funds		291 120
Interest allocated	-	
Conditions met - transferred to Revenue: Operating Expenses	(1 649 946)	(409 476)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**74 512**
Conditions met balance due by government transferred to current assets (see note 5)	**(593 434)**	

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, sports and sewerage infrastructure as part of the upgrading of previously disadvantaged areas (included in the Roads and Sewerage votes in Appendix "B"). No funds have been withheld.

27.4 National: MSIG Funds

Balance unspent at beginning of year	362 684	482 088
Current year receipts	735 000	734 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(432 954)	(853 404)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**664 730**	**362 684**

The Municipal Systems Improvement Grant is allocated to municipalities to improve municipal systems and was used to improve information technology networks and Ward Committee operations. No funds have been withheld.

27.5 National - Department Water and Forests (DWAF)

Balance unspent at beginning of year	606 278	(83 380)
Current year receipts	217 000	1 397 000
Own Funds	-	179 394
Interest allocated	-	
Conditions met - transferred to Revenue: Operating Expenses	(497 063)	(886 736)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**326 215**	**606 278**

This grant has been used for a water supply at Matjiesfontein, ground water investigation and the draw up water masterplan, as well as for the "work-for-water" project. There is a shortage of R179 393.63 being finance from Council funds pending government funds. This did not materialize and Council on 26 June 2008 approved that the shortage be funded from own sources.

27.6 Streets and Stormwater (MIG)

Balance unspent at beginning of year	-	-
Current year receipts	752 400	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(767 576)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**
Conditions met balance due by government transferred to current assets (see note 5)	**(15 176)**	

	2009 R	2008 R

	2009 R	2008 R
27.7 Water (MIG)		
Balance unspent at beginning of year	-	
Current year receipts	609 600	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(329 571)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**280 029**	**-**
27.8 National: Sport and Development		
Balance unspent at beginning of year	5 744	4 200
Current year receipts	-	10 344
Interest allocated	193	
Conditions met - transferred to Revenue: Operating Expenses	-	(8 800)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**5 937**	**5 744**

This grant was received for the promotion and development of sport and will be utilised as such as soon as a project has been identified. No funds have been withheld.

27.9 Department of Mineral and Energy		
Balance unspent at beginning of year	183 511	54 324
Current year receipts	-	208 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(78 813)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**183 511**	**183 511**

This grant has been used for electricity network overall.

27.10 Bus Routes		
Balance unspent at beginning of year	-	-
Current year receipts	700 000	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	(7 000)	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**693 000**	**-**
27.11 Provincial: Electricity Matjiesfontein		
Balance unspent at beginning of year	214 407	214 407
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(144 453)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**69 954**	**214 407**
27.12 Provincial: Library		
Balance unspent at beginning of year	-	-
Current year receipts	67 633	40 878
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(67 633)	(40 878)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**

This grant was allocated for the upgrading of library equipment. No funds have been withheld.

27.13 Provincial: Streets		
Balance unspent at beginning of year	-	-
Current year receipts	24 000	30 464
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(24 000)	(30 464)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**

	2009 R	2008 R
27.14 Provincial: Community Centre		
Balance unspent at beginning of year	-	-
Current year receipts	-	62 564
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(62 564)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**
27.15 Provincial: Seta		
Balance unspent at beginning of year	-	-
Current year receipts	-	9 848
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(9 848)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**
27.16 Provincial: Community Workers		
Balance unspent at beginning of year	-	-
Current year receipts	121 180	90 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(121 180)	(90 000)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**-**
27.17 Provincial: Soup Kitchen		
27.18 Provincial: Department Housing, Local Government and Traditional Affairs (DHLGTA)		
Balance unspent at beginning of year	(570 959)	(1 819 491)
Current year receipts	30 805	655 347
Other Income	-	8 850
Corrections	-	650 834
Conditions met - transferred to Revenue: Operating Expenses	(23 307)	(66 499)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**-**	**(570 959)**
Conditions met balance due by government transferred to current assets (see note 5)	**(563 461)**	

This grant has been used for the erection of 108 primary schools as well as
the necessary infrastructure. The shortage in 2006/2007 has been paid for the
interim from own sources.
Concrete mixure transferred to technical services (R34 474.17)
Stone-crushing grit surplus in stock (R364 034.35) regarding plastic build blocks
as fruitless expenditure transferred to : Fruitless expenditure Debtors

27.19 Department Environment		
Balance unspent at beginning of year	254 451	53 246
Current year receipts	-	208 550
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(48 333)	(7 345)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**206 118**	**254 451**

This grant has been used for preparing spatial development framework.

27.20 Provincial - Department Transport		
Balance unspent at beginning of year	602 311	530 136
Current year receipts	-	72 175
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**602 311**	**602 311**

The amount of R602 311.00 is being used for a long distance taxi zone area.
The balance can be used for rehabilitation of streets and pavements.

	2009 R	2008 R
27.21 Local Government - Local Municipalities		
Balance unspent at beginning of year	162 908	112 140
Current year receipts	-	144 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(48 173)	(93 232)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 17)	**114 735**	**162 908**

This grant has been used for the compiling of a sewerage masterplan and investigation of electricity tariffs.

28. PUBLIC CONTRIBUTIONS AND DONATIONS

Conditional Contributions	-	-
Unconditional Contributions	49 495	39 248
Other Donations	-	-
Total Public Contributions and Donations	**49 495**	**39 248**

29. OTHER INCOME

Building Plan Fees	48 333	-
Sale of Milk	37 154	43 050
Sale of Scrap Metal	15 645	-
Other Income	95 485	125 923
	-	-
Total Other Income	**196 618**	**168 973**
Attributable to:		
Continuing Operations	196 618	168 973
Discontinued Operations	-	-
	196 618	**168 973**

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 23 to 25, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Inter-departmenal Recoveries are received from other trading and economic services.

30. EMPLOYEE RELATED COSTS

Employee Related Costs - Salaries and Wages	4 442 759	3 645 453
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	645 075	495 614
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	193 844	438 652
Housing Benefits and Allowances	41 436	21 142
Overtime Payments	152 980	74 264
Performance Bonuses	147 975	97 732
Defined Benefit Plan Expense:	2 098 000	-
Current service costs	145 000	-
Interest cost	228 000	-
Past-service costs	2 144 000	-
Benefits paid	(41 000)	-
Actuarial losses / (gains)	(378 000)	-
Total Employee Related Costs	**7 722 070**	**4 772 857**
Attributable to:		
Continuing Operations	7 722 070	4 772 857
Discontinued Operations	-	-
	7 722 070	**4 772 857**

No advances were made to employees.

	2009 R	2008 R
Remuneration of the Municipal Manager		
Annual Remuneration	543 707	483 850
Performance Bonus	87 879	81 144
Car Allowance	84 000	84 000
Company Contributions to UIF, Medical and Pension Funds	1 496	-
Total	**717 082**	**648 994**

31. REMUNERATION OF COUNCILLORS

Executive Mayor	487 413	439 201
Speaker	393 207	195 500
Executive Deputy Mayor	217 444	195 900
Councillors	434 931	409 284
Company Contributions to UIF, Medical and Pension Funds	-	3 167
Sundry Allowances (Cellular Phones, etc)	570	-
Allowances allocated to Employee Related Costs in General Ledger	476 086	-
Total Councillors' Remuneration	**2 009 651**	**1 243 052**

In-kind Benefits

The Councillors occupying the positions of Executive Mayor, Speaker and Mayoral Committee Members of the municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the municipality in order to enable them to perform their official duties.

Councillors may utilise official Council transportation when engaged in official duties.

The Executive Mayor have use of Council owned vehicles for official duties.

32. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	2 763 317	2 868 371
Amortisation: Intangible Assets	-	-
Depreciation: Investment Property	61 564	-
Total Depreciation and Amortisation	**2 824 881**	**2 868 371**
Attributable to:		
Continuing Operations	2 824 881	2 868 371
Discontinued Operations	-	-
	2 824 881	**2 868 371**

33. BULK PURCHASES

Electricity	2 204 503	1 701 508
Water	-	-
Total Bulk Purchases	**2 204 503**	**1 701 508**

	2009 R	2008 R

34. GRANTS AND SUBSIDIES PAID

Laingsburg High School	40 000	40 000
Acacia Primary School	40 000	40 000
Baartmansfontein	10 000	10 000
Matjiesfontein Primary	10 000	10 000
Aids program	6 500	4 284
Christmas for Children	5 175	4 548
Municipal Sport	3 239	-
Youth Week	1 666	4 602
Huis Karoo	25 000	25 000
Equitable Share Households	1 383 208	1 102 402
Tourism Centre	111 627	-
Donald Duck Pre-Primary	-	100 310
Immanuel Christen School	5 000	-
Soupkitchen	108 917	5 000
Total Grants and Subsidies	**1 750 331**	**1 346 146**

The comparative figures for Grants and Subsidies Paid have been restated to correct an error contained in the 2006/2007 Annual Financial Statements.

35. GENERAL EXPENSES

Training cost	210 095	-
Tools & Equipment	22 821	-
Consumables	16 713	7 740
Levy: District Municipality (Health Services)	5 287	19 000
Burial Costs: Indigent	1 000	3 191
Management fee: Wateropvanggebied	8 341	22 428
Bankcharges	83 291	52 765
Value added tax	7 702	9 656
Bargaining Council	1 484	1 341
Office Expences: Community workers	121 180	92 509
Cards and other	164	289
Commission: Sales from Electricity	17 554	10 002
Commission: Sales from Milk	3 201	6 281
Commission: Traffic Fines	396 400	184 472
Commision: Water sales	2 153	1 178
Issuing of Drivers Licence cards	9 817	6 442
Quality Control	76 293	-
Membership fees	37 943	19 050
Material and Inventory: General	169 061	146 482
Material and Inventory: Chemicals	2 385	-
Material and Inventory: Recyclable materials	40 327	-
Material and Inventory: Milk	20 840	33 169
Municipal Services: Electricity- General	80 385	58 346
Municipal Services: Electricity- Streetlights	16 492	17 538
Municipal Services: Refuse Removal	3 200	2 911
Municipal Services: Sewerage	4 113	3 808
Municipal Services: Water	13 563	12 614
Investigation: Spatial development	96 666	-
Audit fees: Statutary Audits	756 247	198 855
Pest control	40 216	8 996
Postage	18 438	22 742
Publieke Onthale	46 681	42 552
Radiolisensies	126	126
Legal costs	149 275	29 901
Marketing: Karoo marathon	209 567	171 863
Cleaning of streets and pavements	447 401	344 236
Bad debts written off	91 653	-
Telephone costs	227 173	168 037
Toevallige expenses: Councillors	44 782	31 095
Insurance	94 732	86 094
Vehicle lisence costs	17 745	8 244
Rental: Postbox	1 123	998
Rental: Equipment	2 111	2 111
Fuel and oil	386 214	257 008
Printing and Stationary	138 005	82 166
Management fee: Refuse site	101 235	82 473
Sundry Expenses	56 685	98 118
Travel and accomodation cost	530 655	370 690
Delegation cost	15 900	10 552
Deeds office Returns	23 307	-
Uniforms and Protection Clothing	31 926	54 817
UIF	29 026	24 063
Electricity for Streetlights: Eskom	10 368	8 159
Electricity for Genelar use: Eskom	64 489	54 158
Electricity: Matjiesfontein Pumpstation	14 655	10 567
Contribution to funds		(26 328)
Total General Expenses	**5 018 203**	**2 853 504**

The comparative figures for General Expenses have been restated to correct an error contained in the 2006/2007 Annual Financial Statements.

	2009 R	2008 R

	2009 R	2008 R

36. CHANGE IN ACCOUNTING POLICY

The municipality adopted the exempted portions of the following International Accounting Standards for the first time during the financial year 2008/2009 in order to comply with the basis of preparation of the Annual Financial Statements as disclosed in Accounting Policy 1. These have been implemented as at 30 June 2009:

- GRAP 03 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 06 Consolidated and Separate Financial Statements
- GRAP 07 Investments in Associates
- GRAP 08 Interests in Joint Ventures
- GRAP 09 Revenue from Exchange Transactions
- GRAP 11 Construction Contracts
- GRAP 12 Inventories
- GRAP 13 Leases
- GRAP 16 Investment Property
- GRAP 17 Property, Plant and Equipment
- GRAP 23 Revenue from Non-exchange Transactions
- GRAP 100 Non-current Assets Held-for-Sale and Discontinued Operations
- GRAP 102 Intangible Assets
- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IAS 14 Segment Reporting
- IAS 19 Employee Benefits
- IAS 36 Impairment of Assets
- IAS 39 Financial Instruments: Recognition and Measurement

37. CORRECTION OF ERROR

Balance previously reported:	
Debtors	2 705 536
Grants	570 959
	3 276 495
Reclassified as follows:	
Trade Receivables from Exchange Transactions	403 588
Trade Receivables from Non-Exchange Transactions	2 444 596
VAT Receivable	291 226
Current Portion of Long-term Receivables	32 079
Long-term Receivables	105 005
	3 276 494
Balance previously reported:	
Investments	11 548 730
Bank	437 076
Cash	650
	11 986 456
Reclassified as follows:	
Bank, Cash and Cash Equivalents	**11 986 456**
Balance previously reported:	
Provisions	**302 644**
Reclassified as follows:	
Provisions	261 833
Non-current Provisions	40 811
	302 644

38 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP: -

38.1 Statutory Funds

Balance previously reported: -

Revolving Fund	5 154 600
Housing Development fund	1 100 319
Dog Licences	77 552
Revaluation fund	
Total	**6 332 471**
Implementation of GAMAP	
Transferred to the Capital Replacement Reserve	5 154 600
Transferred to Housing Development Fund	1 100 319
Transferred to Accumulated Surplus/(Deficit) (see 38.6 below)	77 552
Total	**6 332 471**

38.2 Loans Redeemed and Other Capital Receipts

Balance previously reported	57 640 050
Implementation of GAMAP	
Transferred to Government Grants	29 823 272

	2009 R	2008 R
Transferred to Public Contribition Reserve		2 613 732
Transferred to Housing Development Fund		1 123 155
Transferred to Revaluation Fund		-
Transferred to Accumulated Surplus/(Deficit) (see 38.6 below)		24 079 891
Total		**57 640 050**
38.3 Provisions and Reserves		
Balance previously reported		
Capital Reserve		1 140 575
Reparation Fund		9 662
Implementation of GAMAP		**1 150 237**
Transferred to Capital Replacement Reserve		1 140 575
Transferred to Accumulated Surplus/(Deficit) (see 38.6 below)		9 662
		1 150 237
38.4 Internal Loans		
Balance previously reported		
Transfer to		-
Transferred to Accumulated Surplus/(Deficit) (see 38.6 below)		-
Total		**-**
38.5 Accumulated Depreciation		
Balance previously reported		
Implementation of GAMAP		**-**
Backlog depreciation		18 123 740
Total (debited to Accumulated Surplus/(Deficit)) (see 38.6 below)		**18 123 740**
38.6 Accumulated Surplus/(Deficit)		
Implementation of GAMAP		
Adjustments to Statury Funds (see 38.1 above)		77 552
Excessive provisions and reserves no longer permitted (see 38.3 above)		9 662
Transferred from internal loans (see38.4 above)		-
Transferred from Loans Redeemed and Other Capital Receipts (see 54.2 above)		24 079 891
Backlog depreciation (see 38.5 above)		(18 123 740)
Total : Transferred to Accumulted Surplus/(Deficit		**6 043 364**

38.7 GRAP 13: Leases

The Accounting Standard for Leases has been recognised in the Annual Financial Statements of the municipality as at 30 June 2009 in terms of GRAP 13. The full operating lease asset and liability have been recognised retrospectively in the Annual Financial Statements.

The effect of the change in accounting policy is as follows:

Restatement of Operating Lease receivable

	Operating Lease Asset / Liability R	Accumulated Surplus R
Balance as previously stated at 30 June 2007 -	-	
Recognition of operating lease receivable	11 874	(11 874)
Restated balance at 30 June 2007	11 874	
Transactions incurred during the year 2007/2008		
Actual Lease Revenue Reversed	63 237	63 237
Recorded Lease Revenue (Straight-lining)	(63 470)	(63 470)
Restated balance at 30 June 2008	**11 640**	

38 8 GRAP 17: Property, Plant and Equipment

During the 2008/09 financial period the municipality corrected errors on its asset register (AR) relating to assets under the control of the municipality which were either not previously recorded on its AR, or assets that were initially recorded at global amounts and descriptions, therefore not measured and recorded as separate assets or in the significant components which make up the assets.

- all other assets are carried at cost less accumulated depreciation and accumulated impairment losses (if applicable) .

Assets were inspected for indications of impairment, the depreciation method was reviewed, and the remaining useful lives of assets have also been adjusted from the prior periods, where applicable, as part of the unbundling process. As sufficient historical data on assets relating to initial cost prices was available to the municipality, the effect of the change in accounting policy could therefore be applied retrospectively.

The effect of the correction of error is as follows:

	Property, Plant and Equipment R	Accumulated Surplus R
Opening balance as at 30 June 2007	757 290	
Change in accounting policy movement	73 069 452	(73 069 452)
Restated Opening balance as at 30 June 2007	**73 826 742**	
Restated Opening balance as at 30 June 2007	73 826 742	
Acquisitions	2 754 949	(2 754 949)
Less; Depreciation	(2 868 371)	2 868 371
Restated Opening balance as at 30 June 2008	**73 713 320**	

Refer to note 9 for detail of this movement

	2009 R	2008 R
39. CASH GENERATED BY OPERATIONS		
		-
Surplus / (Deficit) for the Year	(1 815 197)	1 214 968
surplus Housing Fund	29 601	
Adjustment for:		-
Correction of prior year expenditure and income	(74 182)	(1 135 599)
Changes in Surplus	(165 957)	(11 874)
Housing Development Fund	(29 601)	-
Revaluation Fund	-	-
Depreciation and Amortisation	2 824 881	2 933 995
Investment Income	(1 501 885)	(1 472 769)
Operating surplus before working capital changes	**(732 340)**	**1 528 720**
	-	-
(Increase)/Decrease in Inventories	230 369	(365 514)
(Increase)/Decrease in Consumer Debtors	(174 771)	(964 114)
(Increase)/Decrease in Other Debtors	(1 226 221)	-
(Increase)/Decrease in VAT Receivable	5 500	(258 256)
Increase/(Decrease) in Operating Lease	3 016	-
Increase/(Decrease) in Consumer Deposits	22 242	8 645
Increase/(Decrease) in Creditors	839 999	119 226
Increase/(Decrease) in Provisions	2 302 593	-
Increase/(Decrease) in Conditional Grants and Receipts	476 472	1 934 342
Cash generated by / (utilised in) Operations	**1 746 858**	**2 003 049**

40. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

40.1 Unauthorised Expenditure

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review.

40.2 Fruitless and Wasteful Expenditure

To management's best of knowledge instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.		252 325

40.3 Irregular Expenditure

To management's best of knowledge instances of note indicating that Irregular Expenditure was incurred during the year under review were not revealed.

41. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

41.1 Contributions to organised local government - SALGA

Opening Balance	(240)	(47 841)
Council Subscriptions	36 044	49 653
Amount Paid - current year	(36 044)	(2 052)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**(240)**	**(240)**

41.2 Audit Fees

Opening Balance	-	182 086
Current year Audit Fee	535 312	-
Amount Paid - current year	(319 622)	(182 086)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**215 690**	**-**

	2009 R	2008 R
41.3 VAT		
VAT inputs receivables and VAT outputs receivables are shown in Note 6. All VAT returns have been submitted by the due date throughout the year		
41.4 PAYE and UIF		
Opening Balance	1 913	(3 088)
Current year Payroll Deductions	835 266	722 180
Amount Paid - current year	(835 266)	(717 179)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**1 913**	**1 913**
41.5 Pension and Medical Aid Deductions		
Opening Balance	(31 745)	(4 346)
Current year Payroll Deductions and Council Contributions	486 463	307 670
Amount Paid - current year	(486 463)	(335 069)
Amount Paid - previous years	-	-
Balance Unpaid (included in Debtors)	**(31 745)**	**(31 745)**

41.6 Councillor's arrear Consumer Accounts

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

41.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

No known matters existed at reporting date.

41.8 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal

42. COMMITMENTS FOR EXPENDITURE

42.1 Capital Commitments

Commitments in respect of Capital Expenditure:		
- Approved and Contracted for:-	**-**	**2 720 475**
Infrastructure	-	2 720 475
Community	-	-
Heritage	-	-
Other	-	-
Housing Development Fund	-	-
Investment Properties	-	-
Total Capital Commitments	**-**	**2 720 475**

		2009 R	2008 R

43 FINANCIAL INSTRUMENTS

43.1 Classification

FINANCIAL ASSETS:
In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows

Financial Assets	Classification		
Non-current Investments			
Fixed Deposits	Held to maturity	-	-
Finance Lease Receivables			
Long-term Receivables			
Housing - Selfbuild	Loans and receivables	47 254	63 209
Housing - Selling schemes	Loans and receivables	58 999	73 875
		106 252	137 084
Consumer Debtors			
Assessment Rates	Loans and receivables	-	-
Electricity	Loans and receivables	-	141 499
Refuse	Loans and receivables	-	68 843
Sewerage	Loans and receivables	-	72 895
Water	Loans and receivables	510 587	60 137
Loan Instalments	Loans and receivables	-	60 214
Other Debtors	Loans and receivables	67 772	-
		578 358	403 588
Other Debtors			
Payments made in Advance	Loans and receivables	-	-
Government Subsidy Claims	Loans and receivables	1 989 819	1 189 661
Sundry Deposits	Loans and receivables	26 972	26 972
Sundry Debtors	Loans and receivables	643 858	79 236
Fruitless and Wasteful Expenditure	Loans and receivables	-	252 325
		3 784 817	2 444 596
VAT Receivable			
VAT Control Accounts	Loans and receivables	285 725	291 226
Bank,Cash and Cash Equivalents			
Call Deposits	Held to maturity	-	-
Notice Deposits	Held to maturity	-	-
Short-term Portion of Investments	Held to maturity	-	-
Bank Balances	Available for sale	(168 110)	11 985 806
Cash Floats and Advances	Available for sale	10 596 312	650
		10 428 203	11 986 456
Operating Lease Assets			
Operating Lease Assets / Receivables	Loans and receivables	(14 656)	(11 640)
Current Portion of Long-term Receivables			
Housing - Selfbuild	Loans and receivables	19 485	19 485
Housing - Selling schemes	Loans and receivables	12 594	12 594
		32 079	32 079
Loans and Receivables			
Long-term Receivables	Housing - Selfbuild	47 254	63 209
Long-term Receivables	Housing - Selling schemes	58 999	73 875
Consumer Debtors	Assessment Rates	-	-
Consumer Debtors	Electricity	-	141 499
Consumer Debtors	Refuse	-	68 843
Consumer Debtors	Sewerage	-	72 895
Consumer Debtors	Water	510 587	60 137
Consumer Debtors	Loan Instalments	-	60 214
Consumer Debtors	Other Debtors	67 772	-
Other Debtors	Payments made in Advance	-	-
Other Debtors	Government Subsidy Claims	1 989 819	1 189 661
Other Debtors	Sundry Deposits	26 972	26 972
Other Debtors	Sundry Debtors	643 858	79 236
Other Debtors	Fruitless and Wasteful Expenditure	-	252 325
VAT Receivable	VAT Control Accounts	285 725	291 226
Operating Lease Assets	Operating Lease Assets / Receivables	(14 656)	(11 640)
Current Portion of Finance Lease Receivables	Car Loans	-	-
Current Portion of Finance Lease Receivables	Housing Selling Scheme Loans	-	-
Current Portion of Long-term Receivables	Car Loans	19 485	19 485
Current Portion of Long-term Receivables	Debtors Capitalised Arrear Services	12 594	12 594
		3 648 407	2 400 531
Available for Sale:			
Bank Balances and Cash	Bank Balances	-	11 985 806
Bank Balances and Cash	Cash Floats and Advances	10 596 312	650
		10 596 312	11 986 456
Total Financial Assets		**29 413 419**	**29 638 296**

		2009 R	2008 R
FINANCIAL LIABILITIES:			
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):			
Financial Liabilities	**Classification**		
Long-term Liabilities			
Consumer Deposits			
Electricity and Water	Financial liabilities at amortised cost	223 785	201 544
Creditors			
Trade Creditors	Financial liabilities at amortised cost	-	-
Payments received in Advance	Financial liabilities at amortised cost	-	-
Retentions	Financial liabilities at amortised cost	165 843	94 312
Staff Bonuses	Financial liabilities at amortised cost	-	-
Sundry Deposits	Financial liabilities at amortised cost	714 848	41 878
Other Creditors	Financial liabilities at amortised cost	385 911	290 412
		1 266 601	426 602
Unspent Conditional Grants and Receipts			
National Government Grants	Financial liabilities at amortised cost	2 390 375	1 721 277
Provincial Government Grants	Financial liabilities at amortised cost	787 000	979 626
VAT Payable		3 177 375	2 700 903
Short-term Loans			
Operating Lease Liabilities			
Bank Overdraft			
Bank Overdraft	Financial liabilities at amortised cost	168 110	-
Current Portion of Long-term Liabilities			
Financial Liabilities at Amortised Cost:			
Consumer Deposits	Electricity and Water	223 785	201 544
Creditors	Trade Creditors	-	-
Creditors	Payments received in Advance	-	-
Creditors	Retentions	165 843	94 312
Creditors	Staff Bonuses	-	-
Creditors	Sundry Deposits	714 848	41 878
Creditors	Other Creditors	385 911	290 412
Unspent Conditional Grants and Receipts	National Government Grants	2 390 375	1 721 277
Unspent Conditional Grants and Receipts	Provincial Government Grants	787 000	979 626
Bank Overdraft	Bank Overdraft	168 110	-
		4 835 871	3 329 049
Total Financial Liabilities		**8 405 140**	**6 231 496**

	2009	2008
	R	R

44. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Fund and the Municipal Gratuity Fund are defined contribution plans, wheras the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R25,2 million (2007: R24,1 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

CAPE JOINT PENSION FUND

The Cape Joint Pension Fund operates both as a defined benefit and defined contribution scheme.

The defined benefit scheme is a multi-employer plan and the contribution rate payable is 9 %, by the members and 18 % by Council. The last valuation performed for the year ended 30 June 2007 (30 June 2006) revealed that the fund had an actuarial surplus of R 200,21 million (R 293,02 million) with a funding level of 107,2 % (111,4 %), and is in a sound financial state as at 30 June 2007.

The actuarial valuation report at 30 June 2007 indicated that the the defined contribution scheme of the fund is in a sound financial position, with a funding level of 105.3% (2006:105.5%).

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0 %) and Council (18,0 %) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2007 (30 June 2006) revealed that the fund had an actuarial surplus of R 105,04 million (R 38,6 million) with a funding level of 137,4 % (114,0 %). Certified in a sound financial position as at 30 June 2007.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The actuarial valuation of the fund was undertaken at 30 June 2006 and was reported to be in a sound financial position . The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future.

SOUTH AFRICAN MUNICIPAL WORKERS UNION NATIONAL PROVIDENT FUND

The contribution rate payable is 7,5 % by the members 18 % by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2005 certified that the fund is in a sound financial state.

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members is 9.00 % and by the council is18.00 %.

are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund records.

None of the above mentioned plans are state plans.

Cape Joint Municipal Pension Fund:
The scheme is subject to a bi-annual actuarial valuation. The last statutory valuation was performed as at 30 September 2007 and has been valued by making use of the Discounted Cash Flow method of valuation..

The statutory valuation performed as at 30 September 2007 revealed that the fund had a surplus of R82,1 (31 December 2005: shortfall of R44,2) million, with a funding level of 123,7% (31 December 2005: unknown). The contribution rate paid by the members (9,00%) and municipalities (22,00%) has a shortfall of 0,90%, but can be covered by the available margin in the fund.

National Fund for Municipal Workers:
No details could be provided for the fund and of any valuation performed.

A contribution rate is paid by the members (7,50%) and municipalities (22,00%).

45. RELATED PARTY TRANSACTIONS

45.1 Services rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
For the Year ended 30 June 2009				
Councillors	5 215	22 669	7 586	-
Municipal Manager	2 677	5 232	15 174	-
Total Services	**7 892**	**27 901**	**22 760**	**-**
For the Year ended 30 June 2008				
Councillors	6 144	17 425	6 885	-
Municipal Manager	2 477	5 656	13 794	-
Total Services	**8 621**	**23 081**	**20 679**	**-**

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

45.2 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 10 to the Annual Financial Statements.

45.3 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 29 and 30 respectively, to the Annual Financial Statements.

46. EVENTS AFTER THE REPORTING DATE

Mrs L S Willemse was find guilty of fraud.the exact amount involved can not be estimated at this stage.

47. Water Losses

Laingsburg Municipality experience major problems with water losses which originated from the floods in 1981. An investigation was done to try to find the cause of these water losses. The investigation found that major water losses occur, but were unable to identify where it originate from. Due to these findings the Department of Water Affairs allocated funds to Laingsburg Municipality to do a water leakage detection investigation during the 2009/2010 financial year. Due to the fact that the damage is impracticable to calculate the issue was just disclosed.

APPENDIX A

LAINGSBURG MUNICIPALITY

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 June 2008	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2009
	R				R	R	R	R
LOCAL REGISTERED STOCK	-				-	-	-	-
Total Registered Stock	-				-	-	-	-
ANNUITY LOANS								
Total Annuity Loans	-				-	-	-	-
GOVERNMENT LOANS								
Total Government Loans	-				-	-	-	-
OTHER LOANS								
Total Other Loans	-				-	-	-	-
TOTAL EXTERNAL LOANS	-				-	-	-	-

APPENDIX B
LAINGSBURG MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

Description		Historical Cost				Cost / Revaluation				Accumulated Depreciation				Accumulated Depreciation / Impairment				Carrying
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings																		
Buildings		1 027 685	583 456	-	1 611 141	1 027 685	583 456	-	1 611 141	208 942	37 777	-	246 719	208 942	37 777	-	246 719	1 364 422
Land		524 400	-	-	524 400	524 400	-	-	524 400	-		-	-	-	-	-	-	524 400
		1 552 085	**583 456**	**-**	**2 135 541**	**1 552 085**	**583 456**	**-**	**2 135 541**	**208 942**	**37 777**	**-**	**246 719**	**208 942**	**37 777**	**-**	**246 719**	**1 888 822**
Infrastructure																		
Streets, Roads and Stormwater		13 269 712	1 177 805	-	14 447 518	13 269 712	1 177 805	-	14 447 518	6 128 122	729 025	-	6 857 148	6 128 122	729 025	-	6 857 148	7 590 370
Street Lighting		1 163 981	217 946	-	1 381 927	1 163 981	217 946	-	1 381 927	339 461	51 275	-	390 736	339 461	51 275	-	390 736	991 191
Taxi Parking		259 356	-	-	259 356	259 356	-	-	259 356	-	-	-	-	-	-	-	-	259 356
Electricity:																		
Supply and Reticulation		2 147 534	-	-	2 147 534	2 147 534	-	-	2 147 534	1 067 339	87 332	-	1 154 671	1 067 339	87 332	-	1 154 671	992 863
Sanitation:																		
Tip Sites		542 006	6 813	-	548 819	542 006	6 813	-	548 819	166 907	30 067	-	196 975	166 907	30 067	-	196 975	351 844
Sewerage:																		
Purification Works		6 320 737	63 984	-	6 384 722	6 320 737	63 984	-	6 384 722	3 625 905	270 704	-	3 896 610	3 625 905	270 704	-	3 896 610	2 488 112
Water:																		
Supply and Reticulation		10 314 608	2 306 492	-	12 621 100	10 314 608	2 306 492	-	12 621 100	3 668 918	458 561	-	4 127 478	3 668 918	458 561	-	4 127 478	8 493 621
Housing		1 463 000	-	-	1 463 000	1 463 000	-	-	1 463 000	339 845	46 418	-	386 263	339 845	46 418	-	386 263	1 076 737
		35 480 935	**3 773 041**	**-**	**39 253 976**	**35 480 935**	**3 773 041**	**-**	**39 253 976**	**15 336 498**	**1 673 383**	**-**	**17 009 881**	**15 336 498**	**1 673 383**	**-**	**17 009 881**	**22 244 095**
Community Assets																		
Fire Stations		36 428	-	-	36 428	36 428	-	-	36 428	13 515	3 027	-	16 542	13 515	3 027	-	16 542	19 887
Parks		83 397	-	-	83 397	83 397	-	-	83 397	15 422	3 940	-	19 362	15 422	3 940	-	19 362	64 035
Sport		4 650 034	13 875	-	4 663 909	4 650 034	13 875	-	4 663 909	781 300	192 068	-	973 368	781 300	192 068	-	973 368	3 690 541
Community Facilities		11 376 906	-	-	11 376 906	11 376 906	-	-	11 376 906	1 334 306	379 984	-	1 714 291	1 334 306	379 984	-	1 714 291	9 662 616
Libraries		18 824	-	-	18 824	18 824	-	-	18 824	18 824	-	-	18 824	18 824	-	-	18 824	-
Play Parks		13 453	2 917	-	16 370	13 453	2 917	-	16 370	8 005	497	-	8 502	8 005	497	-	8 502	7 868
Cemeteries		586 888	-	-	586 888	586 888	-	-	586 888	130 723	18 427	-	149 150	130 723	18 427	-	149 150	437 738
Wall of Remembrances		2 014	-	-	2 014	2 014	-	-	2 014	2 014	-	-	2 014	2 014	-	-	2 014	-
		16 767 944	**16 792**	**-**	**16 784 737**	**16 767 944**	**16 792**	**-**	**16 784 737**	**2 304 109**	**597 943**	**-**	**2 902 053**	**2 304 109**	**597 943**	**-**	**2 902 053**	**13 882 684**
Other Assets:																		
Motor Vehicles		1 185 484	-	-	1 185 484	1 185 484	-	-	1 185 484	516 251	211 889	-	728 140	516 251	211 889	-	728 140	457 344
Tools and Equipment		1 464 275	27 737	-	1 492 012	1 464 275	27 737	-	1 492 012	938 972	119 327	-	1 058 299	938 972	119 327	-	1 058 299	433 713
Office Furniture and Equipment		895 366	217 308	3 000	1 109 674	895 366	217 308	3 000	1 109 674	639 072	82 077	3 000	718 149	639 072	82 077	3 000	718 149	391 525
Security and Equipment		250 861	17 595	-	268 456	250 861	17 595	-	268 456	162 000	13 870	-	175 870	162 000	13 870	-	175 870	92 585
Other Assets		606 106	169 820	-	775 926	606 106	169 820	-	775 926	383 891	27 051	-	410 942	383 891	27 051	-	410 942	364 984
		4 402 092	**432 460**	**3 000**	**4 831 552**	**4 402 092**	**432 460**	**3 000**	**4 831 552**	**2 640 187**	**454 214**	**3 000**	**3 091 401**	**2 640 187**	**454 214**	**3 000**	**3 091 401**	**1 740 151**
Total		**58 203 056**	**4 805 749**	**3 000**	**63 005 805**	**58 203 056**	**4 805 749**	**3 000**	**63 005 805**	**20 489 736**	**2 763 317**	**3 000**	**23 250 053**	**20 489 736**	**2 763 317**	**3 000**	**23 250 053**	**39 755 752**

APPENDIX B
LAINGSBURG MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

Description	Asset Code	Historical Cost				Cost / Revaluation				Accumulated Depreciation				Accumulated Depreciation / Impairment				Carrying Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Investment Properties																		
Farm (Zoutkloof)		51 926	-		51 926	51 926	-	-	51 926	40 747	516	-	41 263	40 747	516	-	41 263	10 663
Land		319 907	-	-	319 907	319 907	-	-	319 907	87 231	719	-	87 950	87 231	719	-	87 950	231 958
Rented Houses		1 820 109	-	-	1 820 109	1 820 109	-	-	1 820 109	440 014	60 329	-	500 344	440 014	60 329	-	500 344	1 319 765
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		2 191 942	**-**	**-**	**2 191 942**	**2 191 942**	**-**	**-**	**2 191 942**	**567 993**	**61 564**	**-**	**629 556**	**567 993**	**61 564**	**-**	**629 556**	**1 562 386**

Description	Asset Code	Historical Cost				Cost / Revaluation				Accumulated Depreciation				Accumulated Depreciation / Impairment				Carrying Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Intangible Assets																		
Computer Software			-	-	-	-	-	-	-			-	-			-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Fixed Asset Register		**60 394 999**	**4 805 749**	**3 000**	**65 197 747**	**60 394 999**	**4 805 749**	**3 000**	**65 197 747**	**21 057 729**	**2 824 881**	**3 000**	**23 879 610**	**21 057 729**	**2 824 881**	**3 000**	**23 879 610**	**41 318 138**

APPENDIX C
LAINGSBURG MUNICIPALTY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

Description	Cost / Revaluation				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R
Executive and Council	432 578	7 504	-	440 081	374 048	57 723	-	431 770	8 311
Finance and Administration	1 064 484	185 013	3 000	*1 246 497*	670 495	127 419	3 000	794 914	451 583
Planning and Development	30 192	351	-	30 542	4 579	5 741	-	10 320	20 222
Health	11 199	-	-	11 199	11 199	-	-	11 199	-
Community and Social Service	7 615 367	1 459	-	7 616 826	1 308 706	259 667	-	1 568 374	6 048 452
Housing	1 463 000	-	-	1 463 000	339 845	46 418	-	386 263	1 076 737
Public Safety	434 563	191 935	-	626 498	231 806	21 892	-	253 698	372 800
Sport and Recreation	4 103 397	5 625	-	4 109 022	786 783	188 388	-	975 171	3 133 851
Environmental Protection	-	-	-	-	-	-	-	-	-
Waste Management	7 824 876	61 915	-	7 886 791	4 225 339	384 758	-	4 610 097	3 276 694
Roads and Transport	14 758 577	1 351 150	-	16 109 727	6 571 688	786 496	-	7 358 184	8 751 543
Water	10 359 336	2 336 955	-	12 696 291	3 664 431	483 045	-	4 147 476	8 548 815
Electricity	2 147 534	702	-	2 148 236	1 064 779	66 609	-	1 131 388	1 016 848
Other	9 293 990	634 308	-	9 928 298	1 356 046	287 890	-	1 643 936	8 284 362
							-		
Total	**60 394 999**	**4 805 749**	**3 000**	**65 197 747**	**21 057 729**	**2 824 881**	**3 000**	**23 879 610**	**41 318 138**

APPENDIX D

LAINGSBURG MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 200

2008 Actual Income	2008 Budgeted Income	2008 Actual Expenditure	2008 Budgeted Expenditure	2008 Surplus/ (Deficit)	Description	2009 Actual Income	2009 Budgeted Income	2009 Actual Expenditure	2009 Budgeted Expenditure	2009 Surplus/ (Deficit)
R	R	R	R	R		R	R	R	R	R
5 714 207	3 746 709	4 022 709	4 449 576	1 691 498	Executive and Council	4 586 807	7 216 249	4 437 318	4 830 929	149 489
6 463 318	6 141 409	6 651 144	6 855 777	(187 826)	Finance and Administration	4 569 472	4 525 156	4 434 789	4 923 772	134 683
-	-	176 952	166 358	(176 952)	Planning and Development	-	-	196 031	308 987	(196 031)
44 133	41 020	69 878	91 500	(25 745)	Health	37 965	18 200	129 154	139 241	(91 189)
51 304	47 018	474 277	513 595	(422 973)	Community and Social Services	82 128	73 350	738 866	790 252	(656 738)
245 119	48 836	29 102	48 836	216 017	Housing	28 718	42 110	58 319	-	(29 601)
2 229 944	1 685 072	746 791	777 338	1 483 153	Public Safety	2 069 235	1 883 700	1 452 692	1 202 116	616 543
23 048	10 050	460 596	488 049	(437 548)	Sport and Recreation	10 659	500	888 155	881 112	(877 497)
1 777 852	1 773 413	1 221 383	1 163 995	556 469	Waste Management	1 932 354	1 876 319	2 220 460	2 152 645	(288 106)
48 163	41 014	2 558 923	2 623 474	(2 510 759)	Roads and Transport	989 617	30 810	3 182 453	3 281 331	(2 192 837)
1 114 454	1 756 389	917 203	1 598 869	197 251	Water	3 530 675	1 577 110	1 771 129	2 086 647	1 759 545
2 621 919	2 610 561	1 844 257	1 971 505	777 662	Electricity	3 357 519	3 278 875	3 489 390	3 527 550	(131 871)
63 171	60 950	8 450	10 101	54 721	Other	-	-	11 587	16 279	(11 587)
20 396 632	**17 962 441**	**19 181 664**	**20 758 973**	**1 214 968**	Sub-Total	**21 195 148**	**20 522 379**	**23 010 344**	**24 140 861**	**(1 815 197)**
20 396 632	**17 962 441**	**19 181 664**	**20 758 973**	**1 214 968**	**Total**	**21 195 148**	**20 522 379**	**23 010 344**	**24 140 861**	**(1 815 197)**

APPENDIX E(1)

LAINGSBURG MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

Description	2008/2009 Actual	2008/2009 Budget	2008/2009 Variance	2008/2009 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	%	
REVENUE					
Property Rates	1 122 420	1 093 371	29 049	2.59	
Property Rates - Penalties imposed and collection charges	29 611	4 150	25 461	85.98	Revenue budgeted for under interest earned- outstandi
Service Charges	6 399 528	6 160 927	238 601	3.73	
Rental of Facilities and Equipment	473 617	431 706	41 911	8.85	
Interest Earned - External investments	1 421 686	1 230 000	191 686	13.48	More funds available for investment as a result of unsp
Interest Earned - Outstanding debtors	50 588	50 000	588	1.16	
Fines	1 977 292	1 876 550	100 742	5.09	
Licences and Permits	91 486	6 650	84 836	92.73	More money from driverslicences received collected
Government Grants and Subsidies	9 285 210	9 502 790	(217 580)	(2.34)	
Other Income	196 618	62 745	133 873	68.09	More direct income received
Public Contributions and Donations	49 495	45 490	4 005	8.09	
Total Revenue	**21 192 133**	**20 522 379**	**669 754**	**3.26**	
EXPENDITURE					
Employee Related Costs	7 722 070	5 586 958	2 135 112	27.65	More contributions to post employment benefits.
Remuneration of Councillors	2 009 081	2 034 163	(25 082)	(1.25)	
Collection Costs	3 093	12 000	(8 907)	(287.97)	Accounts received increase.
Depreciation	2 824 881	3 263 211	(438 330)	(15.52)	Increase in asset values
Impairment Losses	62 000	-	62 000	(100.00)	
Repairs and Maintenance	893 951	849 655	44 296	4.96	
Bulk Purchases	2 204 503	2 415 800	(211 297)	(9.58)	
Contracted Services	519 216	763 500	(244 284)	(47.05)	Less contracters used
Grants and Subsidies Paid	1 750 331	1 986 069	(235 738)	(13.47)	Less subsidies paid
General Expenses	5 018 203	7 229 505	(2 211 302)	(44.07)	Vuna money not spend
Total Expenditure	**23 007 329**	**24 140 861**	**(1 133 532)**	**(4.70)**	
NET SURPLUS / (DEFICIT) FOR THE YEAR	**(1 815 197)**	**(3 618 482)**	**1 803 285**	**49.84**	

APPENDIX E(2)

LAINGSBURG MUNICIPALITY

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

Description	2008/2009 Actual	2008/2009 Budget	2008/2009 Variance	2008/2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	%	
Executive and Council	7 504	-	7 504	100.00	Shifting of projects
Finance and Administration	185 013	686 083	(501 070)	(73.03)	Savings realised on projects
Planning and Development	351	18 000	(17 649)	(98.05)	Expenditure incured in operational budget
Public Works	28 833	-	28 833	0.00	Projects not executed
Community and Social Services	1 459	50 000	(48 541)	(97.08)	Projects not executed
Housing	-	615 000	(615 000)	(100.00)	Projects not executed
Public Safety	191 935	212 500	(20 565)	(9.68)	
Sport and Recreation	5 625	-	5 625	0.00	
Waste Management	61 915	-	61 915	0.00	
Roads and Transport	1 351 150	1 037 400	313 750	30.24	Spending on MIG projects follow in 2009 /2010
Water	2 336 955	2 188 269	148 686	6.79	Spending on MIG projects follow in 2009 /2010
Electricity	702	800	(98)	(12.28)	
Other	634 308	557 948	76 360	13.69	
Total	**4 805 749**	**5 366 000**	**(560 251)**	**(10.44)**	

APPENDIX F

LAINGSBURG MUNICIPALITY

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 0F 2003

FOR THE YEAR ENDED 30 JUNE 2009

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies Delayed / Withheld					Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-compliance
		June	Sept	Dec	March	June	June	Sept	Dec	March	June	June	Sept	Dec	March	June		Yes / No	
FMG	Nat Treasury	-	500 000	-	-	-	-	155 491	165 110	199 578	183 083	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MIG Projects	MIG	320 000	-	1 800 000	544 000	700 000	-	1 136 106	713 030	132 742	679 346	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Equitable Share	Nat Treasury	-	1 437 760	1 078 320	1 904 679	-	-	1 105 190	1 105 190	1 105 190	1 105 189	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
DLGH	Province	-	-	-	-	-	-	-	-	-		N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Electrification Project	DME	-	-	-	-	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MSP & MSIG	Province	-	735 000	-	-	-	-	61 563	41 785	84 278	247 601	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Total Grants and Subsidies Received		**320 000**	**2 672 760**	**2 878 320**	**2 448 679**	**700 000**	**-**	**2 458 350**	**2 025 115**	**1 521 788**	**2 215 219**	**0**	**0**	**0**	**0**	**0**			

(*) Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?